

**FIFTH  
ANNUAL  
REPORT  
1998-1999**



**Sanda**  
FASHIONS LTD.



## **SARDA FASHIONS LTD.**

### **BOARD OF DIRECTORS**

Shri. PURUSHOTTAM D. SARDA	Chairman
Shri. ARUNKUMAR H. FIRODIA	
Shri. SHAMSUNDER P. SARDA	
Shri. SHREEVALLABH G. KABRA	
Shri. SATYANARAYAN B. SARDA	
Shri. SHRIKANT G. MANTRI	
Shri. MADHUSUDAN Z. SARDA	Managing Director
Shri. BAJRANG Z. SARDA	
Shri. SUSHIL D. MAHESHWARI	
Shri. SHREEGOPAL R. SARDA	
Shri. NIMISH V. MAHESHWARI	
Shri. AMIT V. SARDA	Executive Director

### **AUDITORS**

M/s N.B. MUNDADA & CO.  
Chartered Accountants

### **LEGAL ADVISORS**

Shri. S.B. PALLOD

### **BANKERS**

THE UNITED WESTERN BANK LTD.

### **SHARE TRANSFER AGENTS**

MCS LIMITED.  
'Shri Venkatesh Bhavan',  
Plot No. 27, 11 M.I.D.C. Area,  
Andheri (East), Mumbai, 093

### **REGISTERED OFFICE**

Sarda House, Adat Bazar,  
Ahmednagar 414 001.  
Maharashtra, India

### **FACTORY**

Plot no. 44 to 50, Industrial Estate,  
Nagar Pune Road, Ahmednagar - 414 005  
Maharashtra, India.

**NOTICE**

Notice is hereby given that the Fifth Annual General Meeting of the Company will be held on Thursday, 30<sup>th</sup> September, 1999 at 9.00 A.M. at plot No.44-50, Industrial Estate, Nagar-Pune Road, Ahmednagar 414 005, Maharashtra, India to transact the following business

**ORDINARY BUSINESS**

- 1) To receive and adopt the Audited Balance Sheet of the Company as on 31st March, 1999 and Profit & Loss Account for the year ending on that date together with the Directors' Report and Auditors' Report thereon.
- 2) To appoint a Director in place of Shri N. V. Maheshwari, who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri S.G.Kabra who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri S.G.Mantri, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint a Director in place of Shri A.H. Firodia, who retires by rotation and being eligible, offers himself for re-appointment.
- 6) To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS**

- 7) Voluntary delisting of the Company's Shares from Jaipur stock Exchange.

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

"RESOLVED that subject to the provisions of the Companies Act, 1956, (including any statutory modification (s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution.) consent is hereby accorded to the Board to delist its Ordinary Shares from the Jaipur Stock Exchange."

For and on behalf of the board of Directors.  
for Sarda Fashions Limited

sd/-

Place :- Ahmednagar  
Date :- 10/08/99

**M.Z. Sarda**  
Managing Director

**Notes:-** 1) Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business under item No. 7 is annexed.

2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE SAID MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AND THE PROXY NEED NOT BE A MEMBER.

3) The Register of members and shares transfer books of the company will remain closed from Thursday, 16th September, 1999, to Friday, 17th September, 1999. (Both days inclusive) for the purpose of Annual General Meeting

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item no 7 of the AGM Notice.

The Company's Shares are presently listed on Mumbai, Pune and Jaipur Stock exchanges. With computerization of Stock Exchange, Mumbai there is a ready accessibility to this network by investors situated even in remote areas, & as such the listing of the Company's Shares on Jaipur Stock Exchange is no longer felt necessary. The listing fees paid to this Stock Exchange is not in proportion to the trading volumes and therefore the Company intends to delist its Shares from Jaipur Stock Exchange. This is a part of cost reduction measures adopted by the Company. The said delisting has to be approved by a special resolution as per the guidelines issued by SEBI. The proposed delisting is in the interest of the company and the Board commends the resolution for acceptance by members.

None of the Directors of the Company is interested in the said resolution.

For and on behalf of the board of Directors.

for Sarda Fashions Limited

sd/-

Place :- Ahmednagar  
Date :- 10/08/99

**M.Z. Sarda**  
Managing Director

## 5th Annual Report 1998-99

## DIRECTOR'S REPORT


**Sansco**  
 FASHIONS LTD.

TO,

The Members,

Your Directors have pleasure in presenting the Fifth Annual Report and Audited Statement of Accounts of the Company for the year ended on 31st March, 1999.

**1) Financial Results**

	1998-99 (Rs. Lacs.)	1997-98 (Rs. Lacs.)
a) Sales & Other income	2461.73	1680.56
b) Profit before depreciation	21.66	27.71
c) Depreciation	17.68	13.01
d) Profit before Tax	3.98	14.70
e) Provision for Taxation	0.42	1.54
f) Profit after Tax	3.56	13.16
g) Income Tax in respect of prior year	0.00	0.25
h) Balance carried to Balance Sheet	3.56	12.91

**2) Dividend**

In view of the recessionary trends prevailing in the Industry and fall in the margin, the Directors do not recommend any dividend.

**3) Business Prospects :**

The company achieved 46 % growth in turnover during the year under consideration. However, on account of rise in the operational cost, the margin could not be maintained. The company expects to control the operational cost and improve the margin inspite of the gloomy market conditions and recessionary trends prevailing in the Industry.

**4) Promises Vs Performance**

As stated in the Directors' report of the earlier year, the company has become successful in crossing the targeted turnover. The turnover and other income for the year is Rs.24.62 crores as against projected one of Rs. 22.80 crores. The success in this regard is on account of continuous efforts put in by the management in various fields. However, the estimated margin could not be maintained because of significant rise in raw material and other costs. The management is trying hard to overcome the situation and bring the conditions to normalcy and achieve the targeted results as early as possible.

Year ended 31st March, 1999.

	Projected	Actual
Sales & Other Income	2279.93	2461.73
Profit before tax	486.68	3.98
Provision for Tax	143.43	0.42
Profit after Tax	287.53	3.56

**5) Fixed Deposits**

The Company has not accepted any deposits from the public.

**6) Directors**

Subject to the provisions of Section 256 of the Companies Act and Article No. 132 of Articles of Association, Shri N.V. Maheshwari, Shri. S. G. Kabra, Shri. S. G. Mantri and Shri. A. H. Firodia retire at the ensuring Annual General Meeting and being eligible, offer themselves for re-appointment.

**7) Auditors**

The members are requested to appoint Auditors and to fix their remuneration. M/s N.B. Mundada & Co., Chartered Accountants, Ahmednagar, the Auditors of the Company, hold office until the conclusion of the forthcoming Annual General meeting.

**8) Particulars of Employees**

None of the employees of the Company received remuneration during the year as provided under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1957, as amended.

9) Particulars of energy conservation, technology absorption and foreign Exchange earning and outgo.

**Sarda**  
FASHIONS LTD.

Information in accordance with the provisions of Section 217(I) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1998 regarding conservation of energy, technology absorption and foreign exchange earning and outgo is given in the statement annexed hereto (Annexure I).

**10) Y2K compliance :**

The manufacturing activities of the company are not computer based and the company therefore, does not envisage any problem on this front. The accounting aspect is computerised and the company is taking appropriate steps to become Y2K compliant.

**11) Acknowledgement**

The Board acknowledges with thanks the share holders and the United Western Bank Limited for the co-operation extended to the Company throughout the year. The Board is also thankful to the employees of the Company for the efforts put in by them.

By order of the Board of Directors  
For Sarda Fashions Limited

Sd/-  
**M. Z. Sarda**  
Managing Director

**Registered Office :-**  
Sarda House  
Adat Bazar,  
Ahmednagar - 414 001

**Date :- 10-08-99**


**Sarda**  
**FASHIONS LTD.**
**5th Annual Report 1998-99**
**ANNEXTURE TO THE DIRECTOR'S REPORT.**
**Annexure :- I**

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

**Conservation of Energy**
**a) Energy conservation measures taken :**

Proper up-keep and maintenance of machinery has resulted in reduction of energy losses.

**b) Additional investment and proposals :**

Company feels that energy conservation is a continuous process and is taking appropriate efforts in this direction. However, no additional investment is proposed because of installation of brand new machines and their proper maintenance.

**c) Impact of above measures :**

The continuous energy conservation measures have resulted in controlling consumption of energy in the plant.

**d) Total energy consumption and energy consumption per unit production.**
**FORM "A"**

Form for disclosure of particulars with respect to Conservation of energy.

**1) Power and Fuel consumption :**

1998-99      1997-98

**i) Electricity**

Purchased units.	202147	111296
Total amount (Rs)	869961	415135
Rate per unit (Rs.)	4.30	3.73

**ii) Own boiler for production of Readymade garments.**

Utilisation of Diesel.

Own Generator/Boiler

D.G.Set

Generator/ Boiler Diesel Ltr. 101749

Unit per liter of Diesel 10.53

Cost of Diesel Rs. 1071049.00

**2) Consumption per unit of production:-**

Rs:-3.85

**FORM "B"**

Form of disclosure of particulars with respect to Technology absorption for 1998-99

**1) Specific areas in which Research and Development carried out by the company.**

The company is engaged in carrying research activities in the plant throughout the year so as to achieve automation and cost reduction.

**2) Benefits Derived**

Though the benefits cannot be quantified, it has resulted in achieving process control and quality standards.

**3) Future Plan of Action.**

a) No specific programme has been made.

b) Expenditure on R&D cannot be quantified.

**4) Foreign Exchanges Earning & Outgo**

a) Earning - Nil

b) Outgo - Imported stitching machinery was purchased through United Western Bank Ltd. of Rs. 1007593 from Brother International Ltd., Singapore.

For and on behalf of the Board of Directors  
For Sarda Fashions Limited

Sd/-

Place : Ahmednagar

Date :- 10-08-99

**M.Z. Sarda**  
Managing Director

5th Annual Report 1998-99

**AUDITOR'S REPORT**
**Sarda**  
**FASHIONS LTD.**

TO,

The Members of  
**SARDA FASHIONS LIMITED**  
 Sarda House, Adat Bazar  
 Ahmednagar - 414 001

We have audited the attached Balance Sheet of **SARDA FASHIONS LIMITED**, AS AT 31st March 1999 and also the profit & loss Account of the Company for the year ended on that date, annexed thereto, and report that :

1) As. required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by Company Law Board in terms of Section 227(4A) of the companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of Audit. We annex hereto a statement on the matters specified in paragraph 4 & 5 of the said Order.

2) Further to our Comments in Annexure referred to in para one above, we report That:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) In our opinion, proper Books of Accounts as required by law have been kept by the Company, so far as appears from our examination of the books of the Company.

iii) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the Books of Accounts of the Company.

iv) In our opinion and to the best of our information & according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and given a true and fair view.

(a) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March 1999 and

(b) In so far as it relates to the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

For N. B. MUNDADA & CO.  
 Chartered Accountants

Sd/-

Place :- Ahmednagar  
 Date :- 10-08-99

**N.B. MUNDADA**  
 Proprietor.